

City of Prescott

Tourism Advisory Committee



May 14, 2025 | 11:00 AM
201 N. Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Tourism Advisory Committee** at their meetings to be held **May 14, 2025**. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION & ACTION ITEMS**
 - A. Presentation & Discussion Regarding the FY26 Budget.
Recommended Action: This item is for discussion only. No formal action will be taken.
4. **UPDATES**
 - A. Staff Announcements
 - B. Staff General Plan Update
5. **ADJOURNMENT**

Upon a public majority vote of a quorum of the Board, the Board may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));

(7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 5/12/25 at 9:30 a.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Siep

Sarah M. Siep, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: May 14 Tourism Advisory Committee
DATE: May 14, 2025
DEPT: Tourism
ITEM #: 3.A
SUBJECT: Presentation & Discussion Regarding the FY26 Budget.

ITEM SUMMARY

This item is for staff to present the FY25 budget and what's coming up for FY26.

BACKGROUND

This is an annual presentation done at every meeting in May.

FINANCIAL IMPACT

There is no financial impact.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. FY26 Budget Presentation to TAC

Annual Budget 2025

Numbers & Future Plans



Things to Note-



Together we are tasked with managing tourism for the destination for many years to come.



John Heiney
Community
Outreach Director



Mike Kelly
Sales & Marketing
Manager



Cristina Binkley
Tourism Manager



Arley Tucker
Destination Engagement
Specialist

NOTE: This budget will be finalized following Council approval. Once approved, no changes can be made until the next fiscal year without a budget amendment.



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→ Financial Highlights

→ Budget Breakdown

→ Department Operating Costs

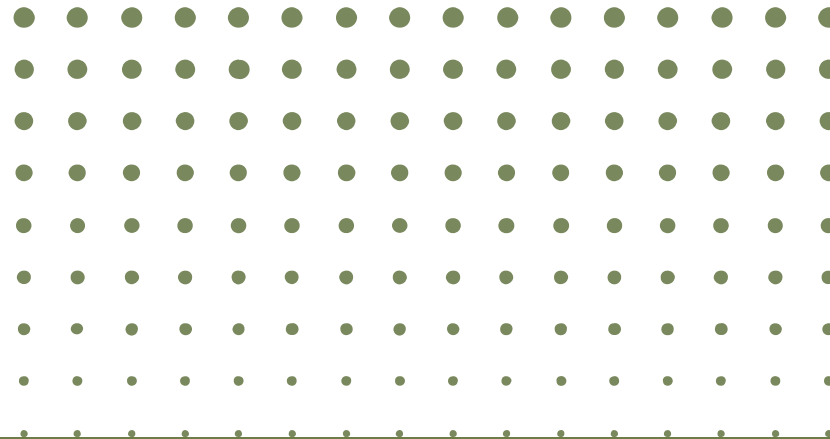
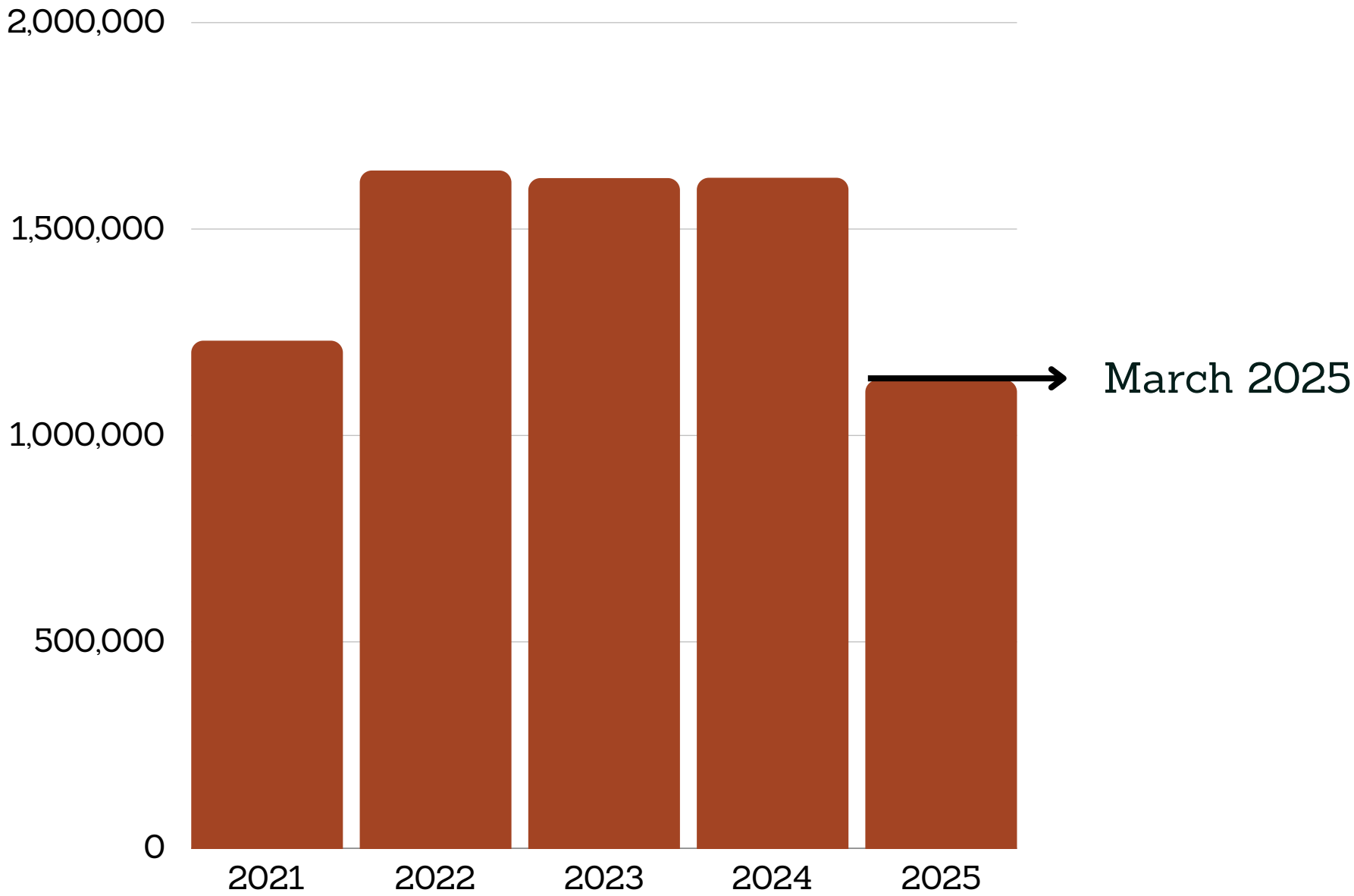
→ Community Support

→ How tourism dollars impact the community

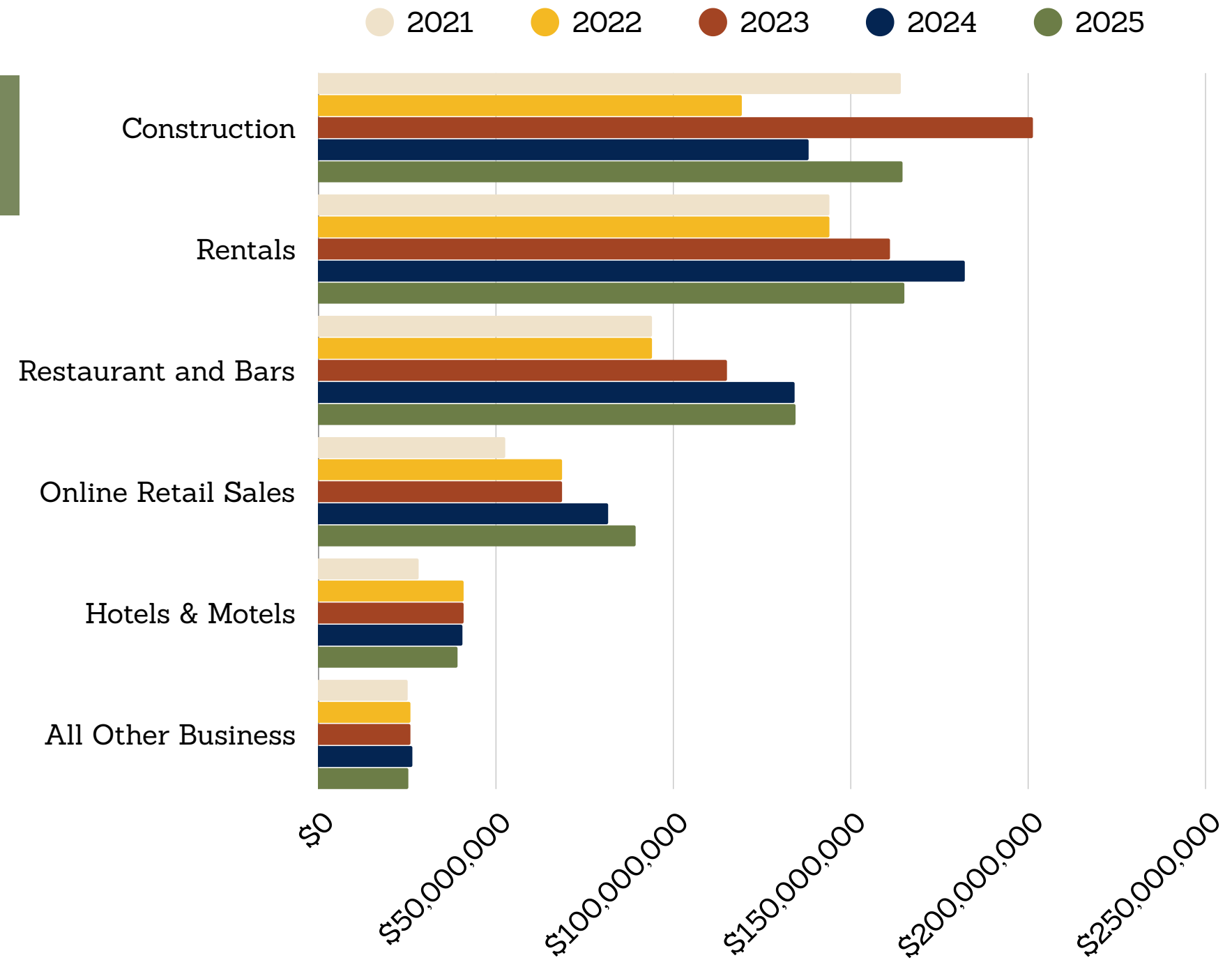
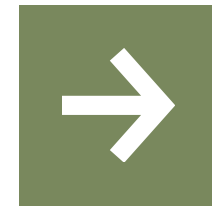
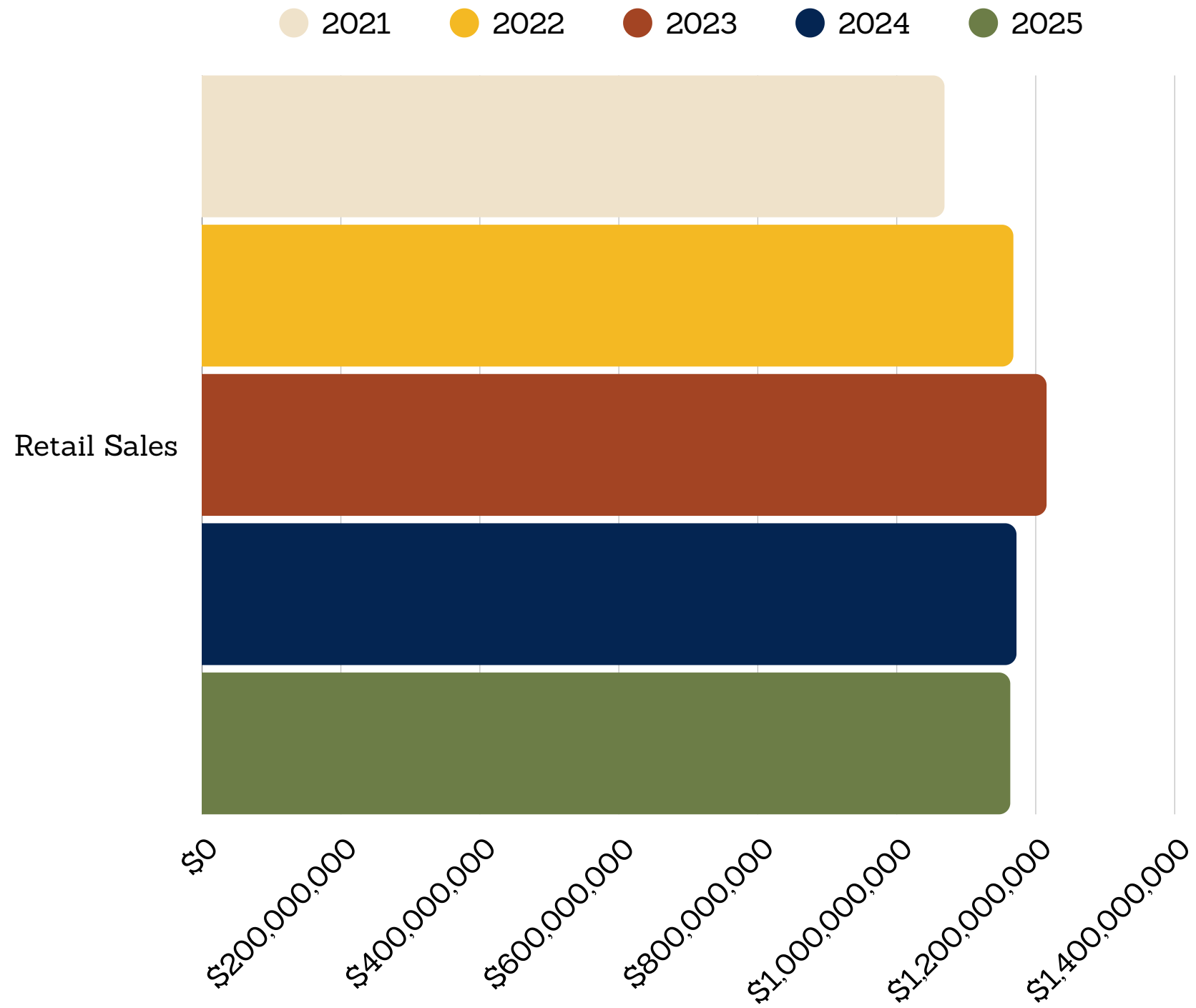
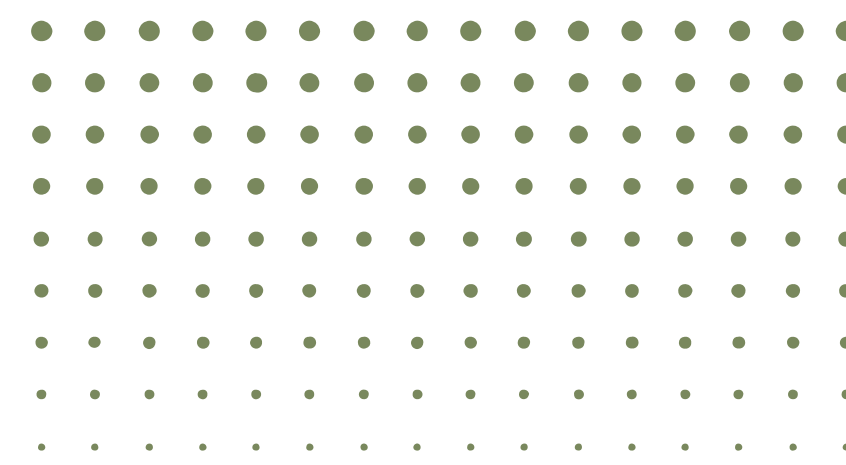
→ How to increase revenue



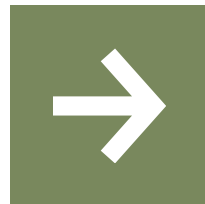
Bed Tax Collections in Review



Taxable Activity in Review

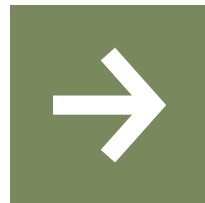


Financial Highlights



FY26 Total Budget \$1,169,997

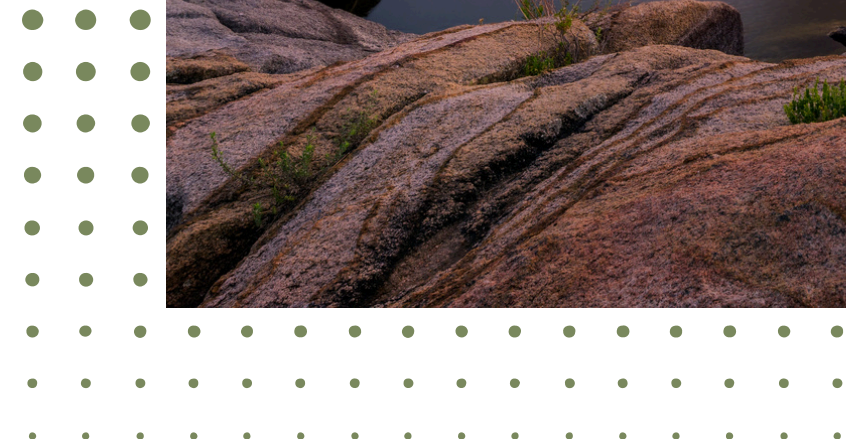
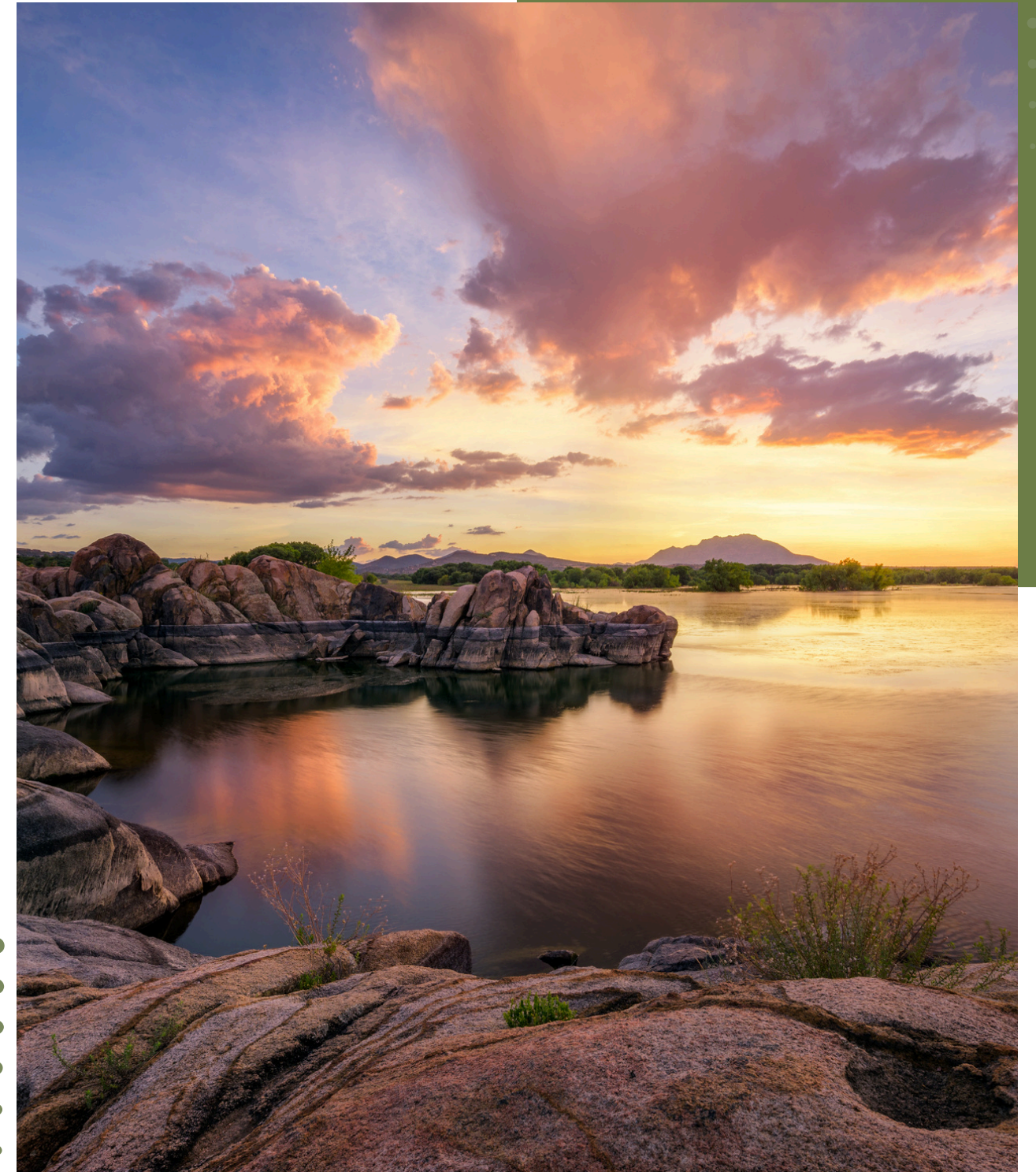
Anticipated reduced revenue, increased expenses, reduced fund balance and personnel costs are imposing budget cuts for FY26.



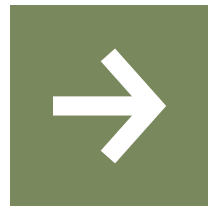
Looking Back

- 2023 Final - \$984,284
- 2024 Final - \$1,154,567
- 2025 Actual to Date - \$1,228,716
- 2025 Planned Budget - \$1,292,378

A decrease of
\$122,381



Fund Balance

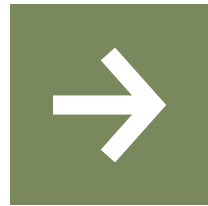


- \$200,000 Trailhead Improvements
- \$106,870 2024 4th of July
- \$197,370 2024/2025 4th of July
- \$125,000 Downtown Beautification
- \$19,401 E-bikes for Prescott Fire
- \$12,000 Land Title Purchase

- \$660,641 Reduction



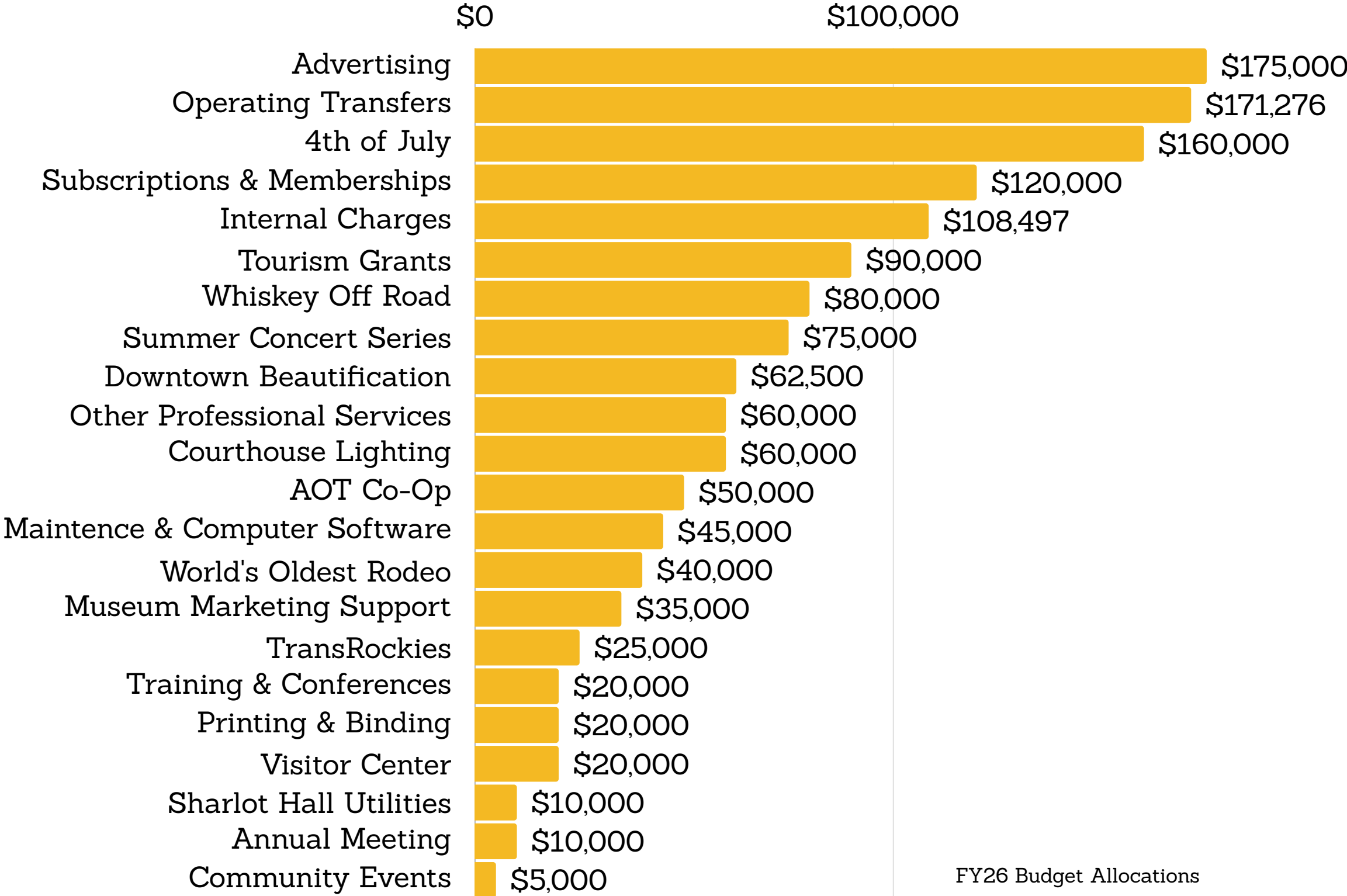
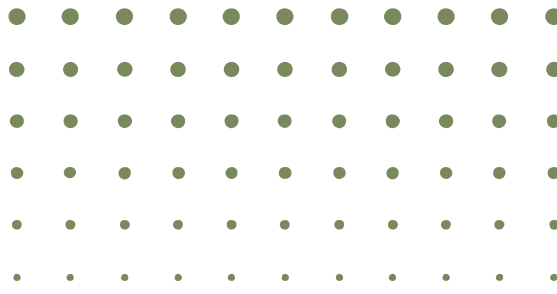
FY26 Reductions & Adjustments



- Downtown Beautification stops in December
- Reduction in Advertising Spend (-\$40,000)
- Reduction in Tourism Grants (-\$10,000)
- Reduction in Museum Marketing (-\$5,000 Each)
- Summer Concert Series Remains Flat at \$75,000
- No contingency



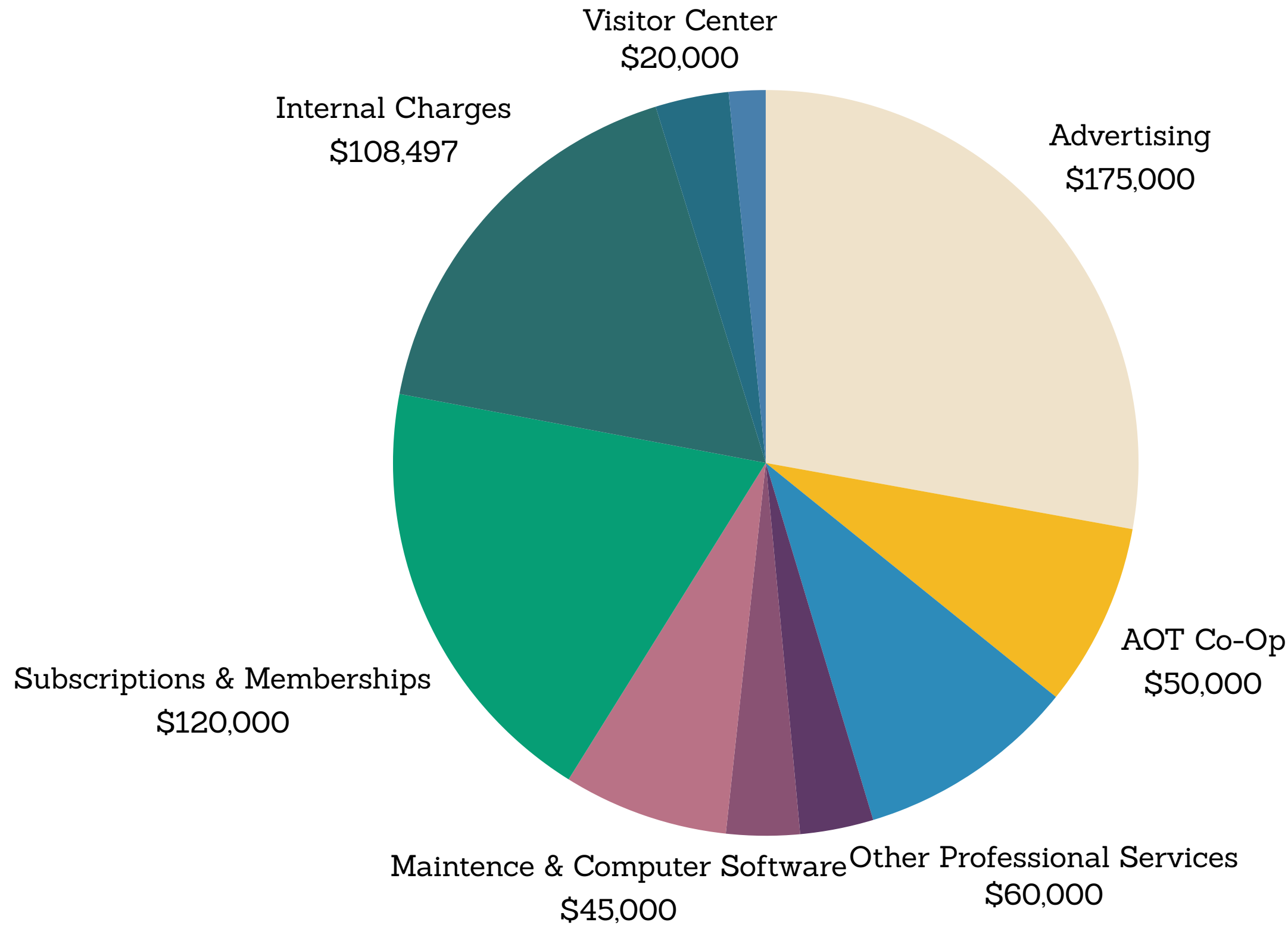
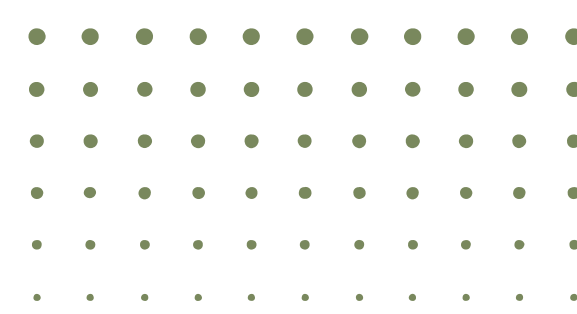
Budget Breakdown



Staff Salaries and benefits are not included

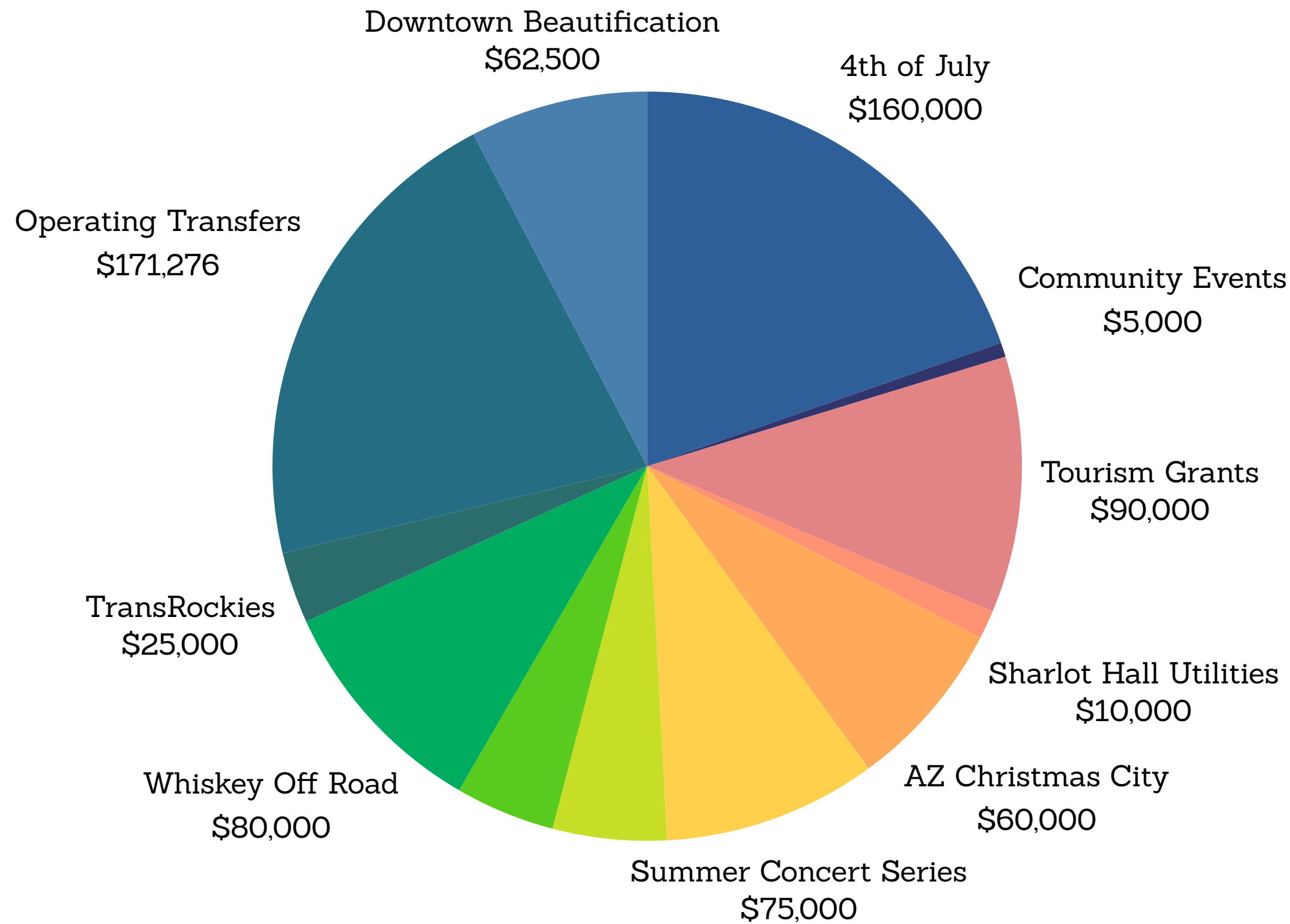
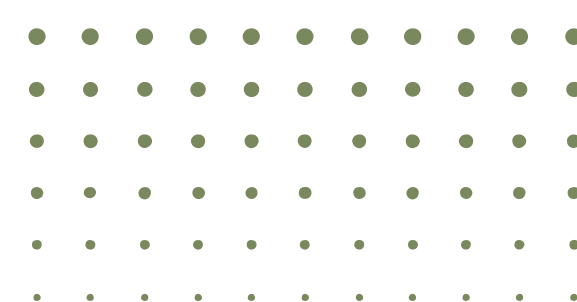
FY26 Budget Allocations

Department Operating Costs



Total
\$628,497

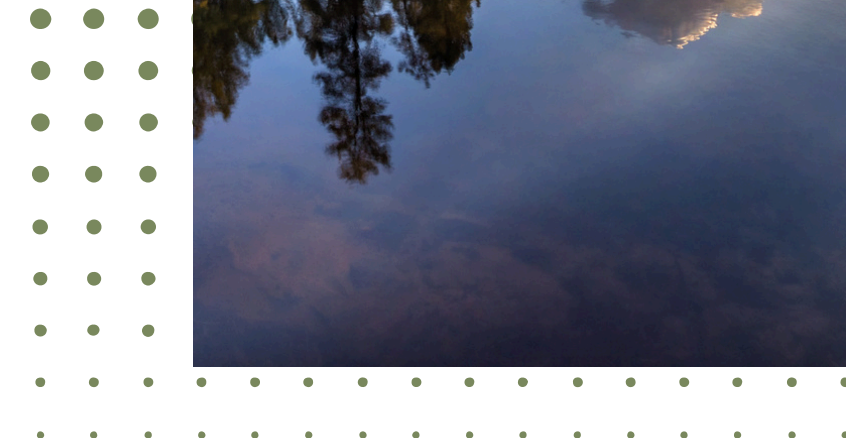
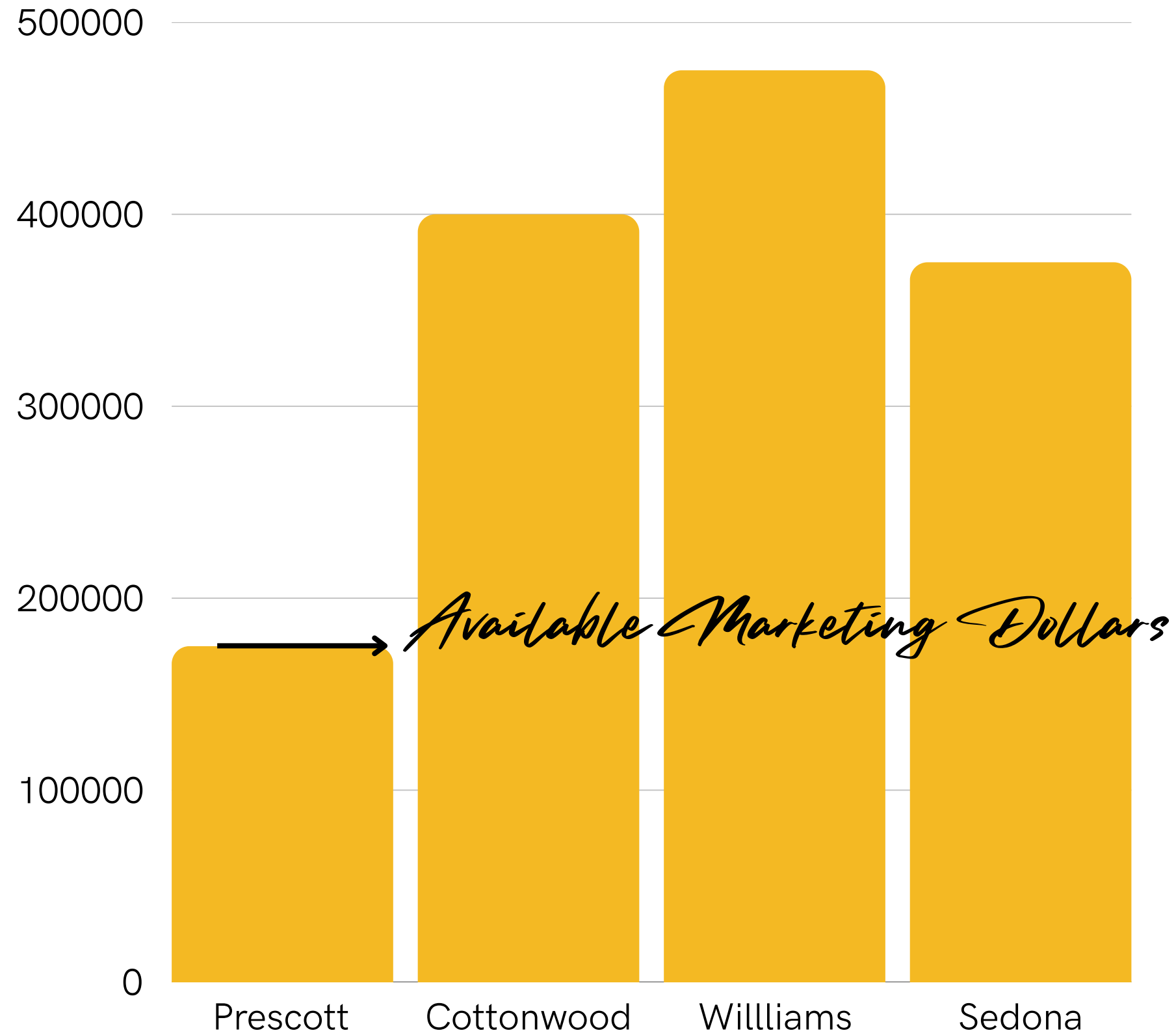
Community Support



Total
\$813,776

Destination Management

How does Prescott stack up?



HOW TOURISM DOLLARS BENEFIT *the community*

Visitors spend an estimated \$252 million on lodging, food and beverage, retail, entertainment, and local transportation.

Estimated State & Local
Tax Revenues

\$25M

Including \$6 million in city sales and bed taxes and an additional \$18 million in county and state sales taxes.

Total Annual
Economic Impact

\$368M

\$124 million in labor income or payroll at hotels, restaurants, retailers, and other service businesses in Prescott, as well as local businesses that are suppliers to the hospitality industry.

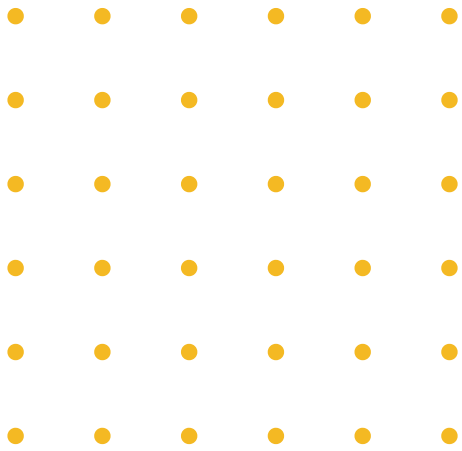


BUT WHAT DOES THAT MEAN?

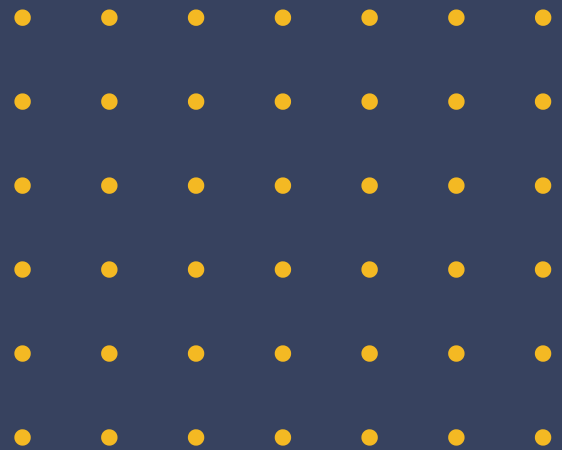
When visitors generate an estimated \$4 million in annual city sales tax revenues that is enough to support:

- Annual salaries of 22 police officers
 - or 23 firefighters
- Half the cost of a new fire station
- Annual maintenance of 856 acres of parks and open space
- Annual maintenance of 222 miles of streets
- One and a half years of citywide library operations
- The purchase of 25 acres for the development of Granite Dells Gateway Park

3900
jobs



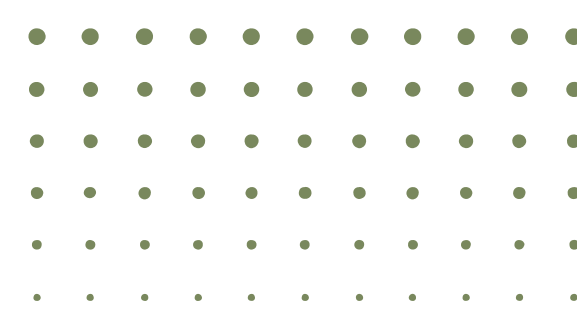
Experience Prescott
OFFICE OF TOURISM



These comparisons are designed to show the impact of what could be lost if tourism ceases to exist.

Staff Objectives...

\$ options for TAC



INTERNAL OPERATIONS

- Reduce Expenses Wherever Possible
- Hiring Freeze
- Seek Earned Media Opportunities
- Work with City Leadership to negotiate contracts, and operating transfers
- Monetize Youtube, Social Media and Advertising Opportunities with Experience Prescott
- Marketing messages aimed at convincing visitors to stay longer and spend more money while protecting the charm of Prescott



External Options

- Inform Council
- Advocate with City Leadership
- Educate Members of the Community
- Consider a partnership with the Prescott Public Library and create a rentable 'Gear Library'
- Consider a partnership with Prescott Police Department, Public Works and State Liquor Board for Open Container District
- Consider a partnership with Recreation Services & Forest Service to enhance Recreational Parking Pass
- Consider a partnership with Recreation Services to enhance bookings of city facilities



Options for Increasing Revenue

- Increase Visitation
- Increase Lodging Properties
- Consider raising bed tax
- Consider starting bed, board and booze tax
- Consider tourism improvement district
- Consider membership based organization
- Consider charging for parking
- Consider charging for events
- Consider sponsorships for events
- Consider planning events internally
- Consider reduction in events supported

Experience Prescott
True West. Real Adventure.

Contact Us



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